Kleindienst Talks End in an Uproar

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The Senate hearings on the nomination of Richard G. Kleindienst as Attorney General ended in an uproar yesterday as Republicans and Democrats battled over the limitations on questioning of White House aide Peter M. Flanigan.

Two Democratic members of the Senate Judiciary Committee, Edward M. Kennedy of Massachusetts and Birch Bayh of Indiana, walked out of the hearings in exasperation with rulings by Chairman James O. Eastland (D-Miss.) that their queries of Flanigan went too far.

Eastland gavelled the hearings to a close at 6:12 p.m. after 23 days of testimony spread over two months.

A few hours earlier, in a closed session, the committee rejected by a tie vote of 7-to-7 a proposal by Sen. John V. Tunney (D-Calif.) to extend the hearings for another two days to clear up inconsistencies in the record.

Tunney complained, moments before the hearings closed, that "we are left with the question" of how former Assistant Attorney General Richard W. McLaren reached his decision to settle three antitrust cases against the International Telephone and Telegraph Corp. rather than

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appeal them to the Supreme Court.

"As a result of these hearings, we are never going to have the answer," he insisted.

That question has been central to the Kleindienst confirmation hearings ever since they were reopened at the nominee's request seven weeks ago.

Columnist Jack Anderson in late February published a memorandum attributed to ITT lobbyist Dita D. Beard, linking the antitrust settlement to the company's pledge of at least $200,000 to help bring this year's Republican

Nati9nal Convention to San Diego.

In what the committee's ranking Republican, Sen. Roman Hruska of Nebraska, called a "historical occasion," Flanigan appeared yesterday to discuss four carefully defined areas, including his role in arranging for an independent financial analysis used by McLaren in the ITT cases.

When he asked New York investment banker Richard J. Ramsden to do the financial analysis, Flanigan testified, "I was merely assisting another overworked public servant in a way that could be helpful."

"While it is not a particularly flattering term," Fanigan said, he served purely as a "conduit" between McLaren and Ramsden.

The White House aide explained that McLaren came to him rather than going directly to Ramsden only because McLaren, then chief of the Justice Department's Antitrust Division, did not know where to find the consultant.

Flanigan acknowledged for the first time that he personally passed along Ramsden's findings, that the proposed divestiture of the Hartford Fire Insurance Co. by ITT, would cost ITT stockholders about $1.2 billion, to McLaren before the Ramsden report was delivered to the Justice Department.

But the White House aide steadfastly denied any attempt to affect the outcome of Ramsden's financial analysis, even though he provided Ramsden with a copy of a partisan brief on the subject prepared by ITT.

Although he "assumed" that the brief was prepared by ITT, Flanigan said, he did not tell Ramsden about that assumption.

"I indicated to him (Ramsden) that this was a document that stated one point of view," Flanigan testified. "I told him that what was desired was an independent, objective analysis" of that document's conclusions.

Earlier this week, Ramsden told the committee that his understanding was that he was to do "independent" work on the financial consequences of a divestiture of Hartford by ITT, rather than reviewing the work of others.

Ramsden testified that the only purpose of the ITT document was to help him "focus" on the issues involved in the antitrust cases.

Beyond those areas, however, the committee elicited little new information from Flanigan, whose appearance before the Senate panel neutralized a threat by Sen. Sam J. Ervin Jr. (D-N.C.) and other powerful senators to block a vote on the Kleindienst nomination.

Originally, the White House implied that is was invoking the doctrine of "executive privilege" to prevent Flanigan from testifying.

But in the face of Ervin's threat, the administration backed down and permitted Flanigan to testify about the Ramsden report and a White House luncheon gathering attended by ITT president Harold S. Geneen.

At the committee's request, that was later expanded to include Flanigan's knowledge about the selection of San Diego as the GOP convention site and his presence at meetings in former Attorney GeneraI John N. Mitchell's office last April 29.

Under oath yesterday, Flanigan said the luncheon gathering did not involve antitrust policy, that he knew nothing about the convention, and that the meetings in Mitchell's office involved only the attempt to salvage a failing Wall Street brokerage firm.

With Republicans n the committee providing bigilant supervision and Eastland ruling in their favor in every instance, Glanigan did not budge eyond those restrictions during his appearance.

He had only been on the witness stand for about five minutes when he declined a request by Hruska to explain his current position as head of the White House Council on International Economic Policy.

"I would be appy to answer that question, senator, but t is outside the agreed limitations," Flanigan said.

Hruska concurred and said he was sure that all committee members would respect those limitations.

Moments later, Flanigan declined to answer a question from Sen. Philip A. Hart (D-Mich.) about whether, outside specific meetings under discussion, anybody else representing ITT expressed concern to him about the possible effects of the proposed divestiture of Hartford.

As a partisan dispute flared among committee members, Kennedy observed that "I'm getting happier and happier" to have cast the only dissenting vote when the committee decided earlier this week to accept limitations on Flanigan's testimony.

Kennedy later told newsmen that "it didn't do much good to get him (Flanigan) up here, if we couldn't ask questions relevant to the proceedings."

Only occasionally were the senators good-natured in their quarrels about the scope of Flanigan's testimon.

When Bayh asked Flanigan whether McLaren's request for assistance in recruiting outside financial advice was "a normal request," there was a long pause.

Suddenly, Hruska, who had been conferring with a staff aide, bolted forward in his chair and demanded to know, "What was that question"

"Stay with it," Bayh counseled the Nebraska Republican. "You almost dropped the ball there, Roman."

Flanigan was eventually permitted to answer Bayh's question, explaining—as the committee had long known—that on an earlier occasion he requested a similar financial analysis from Ramsden for McLaren concerning an antitrust case against Lin - Temco - Vought, Inc.

By the end of the day, Eastland sustained objections to more than a dozen questions put to Flanigan by the Democratic senators. Only rarely did Flanigan have to pose his own objections before Eastland or the Republicans cut in.